**1 PROVIDER RESPONSE TO PAYER INCENTIVES**

**Aim:**
- Analyzing effects of payment incentives on diagnostic effort, treatment choice and quality of care
- Provide real-word evidence on how to design payer incentives that effectively improve quality of care

**Methods:** Multi-method approach to phenomenon “provider response to payer incentives”

**Project A**
- Develop a theoretical model of optimal diagnostic effort and treatment choice with imperfect treatments
- Testing resulting hypotheses in laboratory experiments

**Project B**
- Develop a theoretical research framework of the mechanisms of PRO-based incentives on provider responses
- Testing resulting hypotheses using qualitative online focus groups → quantitative online surveys

**Contribution**
- Multi-method approach (combination of theory and experiment)
- Capture agency problems and behavioral economic aspects in medical decisions
- Simultaneous analysis of diagnostic and treatment decision in lab experiment
- Multi-perspective analysis on consequences of using PRO-based measures in P4P reimbursement systems

**PIs and interdisciplinary integration**

- Theory and measurement of PROs
- Behavioral experiments, prospect theory
- Decision theory, microeconomic and behavioral economic principles
- Creating and conducting surveys and focus groups, mixed-methods design, PROs

**Potential dissertation topics:**
- Optimal diagnostic effort and treatment choice with imperfect treatments - A theoretical and experimental analysis
- A critical assessment of unintended consequences of using patient-reported outcomes for quality assessment and provider reimbursement